

Senate File 214 - Introduced

SENATE FILE 214

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A BILL FOR

1 An Act relating to the exclusion of certain unemployment
2 compensation from the individual income tax, and including
3 effective date and retroactive applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 422.7, Code 2021, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 63. *a.* Notwithstanding any other provision
4 of law to the contrary, for any tax year beginning on or after
5 January 1, 2020, but before January 1, 2022, subtract to the
6 extent included compensation or assistance received by the
7 taxpayer authorized pursuant to any of the following federal
8 programs:

9 (1) Pandemic unemployment assistance, Coronavirus Aid,
10 Relief, and Economic Security Act, Pub. L. No. 116-136, §2102.

11 (2) Pandemic emergency unemployment compensation,
12 Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No.
13 116-136, §2107.

14 (3) Pandemic unemployment compensation related to
15 subparagraphs (1) and (2) approved by the memorandum
16 authorizing the other needs assistance program for major
17 disaster declarations related to the coronavirus disease 2019,
18 issued by the president of the United States on August 8, 2020.

19 (4) Extension of pandemic unemployment compensation under
20 subchapter 1 of the Consolidated Appropriations Act, 2021, Pub.
21 L. No. 116-260.

22 *b.* This subsection is repealed January 1, 2027.

23 Sec. 2. EFFECTIVE DATE. This Act, being deemed of immediate
24 importance, takes effect upon enactment.

25 Sec. 3. RETROACTIVE APPLICABILITY. This Act applies
26 retroactively to January 1, 2020, for tax years beginning on or
27 after that date but before January 1, 2022.

28 EXPLANATION

29 The inclusion of this explanation does not constitute agreement with
30 the explanation's substance by the members of the general assembly.

31 This bill relates to the exclusion of certain unemployment
32 compensation from the individual income tax.

33 Under the bill, a taxpayer who has received compensation
34 authorized pursuant to certain federal programs shall not
35 include in the taxpayer's Iowa net income any of the following:

1 pandemic unemployment assistance; pandemic emergency
2 unemployment compensation; pandemic unemployment compensation
3 received through the memorandum issued by the president of the
4 United States on August 8, 2020; and the extension of pandemic
5 unemployment compensation.

6 The bill takes effect upon enactment and applies
7 retroactively to January 1, 2020, for tax years beginning on or
8 after that date but before January 1, 2022.